


## DEPARTMENT OF GENERAL SERVICES

**POLICY TITLE:** Procurement Policy and Procedures  
**POLICY NUMBER:** PR-1  
**REVISION NUMBER:** 3  
**APPROVED BY:** 

**DATE:** 9/29/2007  
**EFFECTIVE DATE:** 9/29/2007  
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### I. PURPOSE

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To prescribe the policies by which the Department of General Services (DGS) shall procure goods and non-professional services, as defined in the DGS' Division of Purchase and Supply (DPS) Agency Procurement and Surplus Property Manual (APSPM). This policy document does not cover construction or professional services, defined in the Commonwealth's Construction and Professional Services Manual (CPSM).

### II. REFERENCES

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The below listed policies and laws are subject to change and revision, therefore the latest revision will always apply to DGS procurement activities.

Code of Virginia, § 2.2-3100 State and Local Government Conflict of Interests Act  
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-3100>

Code of Virginia, § 2.2-4300 Virginia Public Procurement Act (VPPA)  
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC0202000004300000000000>

Office of the Governor Executive Orders Executive Order 33 (2006)  
[http://www.governor.virginia.gov/Initiatives/ExecutiveOrders/2006/EO\\_33.cfm](http://www.governor.virginia.gov/Initiatives/ExecutiveOrders/2006/EO_33.cfm)

DGS/DPS Agency Procurement and Surplus Property Manual (APSPM)  
<http://www.eva.virginia.gov/dps/Manuals/docs/98apspmindx.htm>

DGS/DPS Vendors Manual  
[http://www.eva.state.va.us/dps/Manuals/docs/vendors\\_manual.htm](http://www.eva.state.va.us/dps/Manuals/docs/vendors_manual.htm)

Department of Accounts' (DOA) Commonwealth Accounting Policies and Procedures (CAPP) Manual  
[http://www.doa.virginia.gov/Admin\\_Services/CAPP/CAPP\\_Main.cfm](http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Main.cfm)

Department of Human Resource Management's (DHRM) Policies and Procedures Manual

Virginia Information Technologies Agency's (VITA) Policies and Procedures  
<http://www.vita.virginia.gov/procurement/procurement.cfm>

Library of Virginia's (LVA) Records and Disposition Schedule  
<http://www.lva.lib.va.us/whatwedo/records/sched%5Flocal/gs%2D27.pdf>

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### III. DEFINITIONS

<b>Administrative Lead Time</b>	Administrative lead time is that period of time from initiation of the requirement by the user to issuance of an award.
<b>Agency Purchase Order</b>	An Agency Purchase Order is a form used by an agency to order goods, services and printing available on a State or term contract, or to procure goods or services from non-contract sources within its delegated purchase authority.
<b>Change Order</b>	Modification to the original Purchase Order affecting price, quality, quantity, delivery, or cancellation. Must be authorized by the appropriate Procurement Officer prior to issuance.
<b>Charge Card</b>	The state-approved Small Purchase Charge Card (SPCC) that is used for small purchases (\$5,000 or less) of frequent, over-the-counter, Maintenance, Repair, and Operating (MRO) items used in the daily operations of any state activity, and for placing orders up to \$5,000 against term contracts.
<b>Commodity Code</b>	A system of symbols (alpha, numeric or other) used to represent words to describe a commodity, e.g., Class 410 Furniture, Hospital – Specialized, Item 36, Incubators, Infant (410-36); 904 Services, Client, Item 02, Ambulance Service (904-02), to facilitate data sort capabilities of purchased goods/services for the purpose of analysis.
<b>Confirming Purchase Order</b>	A purchase order issued after the fact by a procuring agency to a Contractor for goods and/or services offered orally or by some other informal means. The order must be marked "CONFIRMING ORDER. DO NOT DUPLICATE."
<b>Contract</b>	When used as a noun in this Policy, <u>contract</u> refers to a binding agreement enforceable by law, between two or more competent parties, to do or not to do something, not prohibited by law, for a consideration. A contract is any type of agreement or order for the procurement of goods or services. As a verb, <u>contract</u> has its usual legal sense, signifying the making of an agreement for consideration.
<b>Contract Administration</b>	The management of all facets of a contract to assure the Contractor's total performance is in accordance with the contractual commitments and that

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	the obligations of the Contractor under the terms and conditions of the contract are fulfilled.
<b>Contract Administrator</b>	Individual or position, designated in writing, responsible for the proper adherence to all contract specifications by the contractor including, but not limited to, scheduling and monitoring of project progress, acceptance of goods or services, approval of invoices, etc.
<b>Contract Management</b>	The management of the organization's contracts and contract-related activities which may include accounting, administration, auditing, grants management, law, negotiation, logistics, price-structure compensation, delegation of procurement authority, program management, termination and other business activities.
<b>Contract Officer, Procurement Officer, Buyer</b>	A State employee whose primary responsibility and assignment is to develop and approve contracts between the Commonwealth and private, non-governmental entities for the purchase of goods or services.
<b>Contractor</b>	An individual or business that has entered into an agreement to provide goods or services to the Commonwealth.
<b>Cost Code</b>	Those codes issued by DGS Fiscal Services for approving agency expenditures and tracking budgets. DGS has cost code managers who maintain responsibility for their budgets based on the money appropriated to the assigned cost code.
<b>Delegated Procurement Authority (DPA)</b>	Delegated Procurement Authority (DPA) at DGS for the purchase of goods and non-professional services, as provided by the Division of Purchases and Supply, resides with the Agency Head. DPA is the ability to commit the agency to a binding agreement for goods or services for a specific dollar threshold, which is authorized by the Division of Purchases and Supply. The DGS Agency Head designates day-to-day responsibility and authority for administration of the agency's DPA to the Director of Procurement Services. SPCC holders DPA authority is based on the single transaction charge card limit set by the PSU Program Administrator in coordination with the card holder's budget cost code (CC) manager.
<b>Division of Engineering and</b>	The DEB is a division of DGS. Through its Bureau of Capital Outlay Management (BCOM), DGS/DEB is the State's centralized purchasing

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<b>Buildings (DEB)</b>	agency for construction and professional services. DGS/DEB develops state policies and procedures for procuring professional and construction services; and maintains the Commonwealth of Virginia's Construction and Professional Services Manual (CPSM).
<b>Division of Purchases and Supply (DPS)</b>	The DPS is a division of the DGS. DGS/DPS is the State's centralized purchasing agency for materials, equipment, supplies, nonprofessional services and printing. DGS/DPS prescribes the rules and regulations for the purchase of materials, supplies, equipment, nonprofessional services, and printing, and maintains the Commonwealth of Virginia's Agency Procurement and Surplus Property Manual (APSPM). ( <i>Code of Virginia</i> , § 2.2-1109 et al).
<b>Electronic Procurement</b>	The Commonwealth of Virginia's eVA purchasing system comprised of the <i>Virginia Business Opportunities</i> , Shop Now for purchase requisitions, Quick Quotes for small purchase bidding and E-procurement for sealed solicitations.
<b>Emergency Procurement</b>	Purchase which is required in response to the occurrence of a serious and urgent nature that places personal safety or property at risk and demands immediate attention,
<b>Ethics</b>	Pertaining to or relative to moral action, conduct, motive or character; as ethical emotion; professionally right or befitting; conforming to professional standards of conduct. The <i>Virginia Public Procurement Act (VPPA)</i> covers "Ethics in Public Contracting" ( <i>Code of Virginia</i> , §§ 2.2-4367 through 2.2-4377).
<b>Invitation for Bid (IFB)</b>	A document, containing or incorporating by reference the specifications or scope of work and all contractual terms and conditions, that is used to solicit written bids for a specific requirement for goods or nonprofessional services. This type of solicitation is also referred to as an Invitation to Bid (IFB).
<b>Nonprofessional Services</b>	Any services not specifically identified as professional services in the definition of professional services ( <i>Code of Virginia</i> , § 2.2-4301).

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<b>Potential Bidder or Offeror</b>	A person who, at the time an agency awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction of the type to be procured under such contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation ( <i>Code of Virginia</i> , § 2.2-4301).
<b>Procurement</b>	The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment.
<b>Professional Services</b>	Shall mean work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, dentistry, law, medicine, optometry, pharmacy, or professional engineering. "Professional Services" shall also include services of an economist procured by the State Corporation Commission ( <i>Code of Virginia</i> , § 2.2-4301).
<b>Purchasing Agency</b>	A state agency or institution purchasing goods or services.
<b>Request for Information (RFI):</b>	An informal document issued when an agency is not aware of the products available in the market which may satisfy its requirements. The use of an RFI does not require a purchase requisition, however a RFI may result in the development of a requisition, or the issuance of an IFB or RFP after an agency determines the types of products that are available which will satisfy its requirements. An RFI cannot be made into an agreement.
<b>Request for Proposal (RFP)</b>	All documents, whether attached or incorporated by reference, utilized for soliciting proposals; the RFP procedure requires negotiation with offerors (to include prices) as distinguished from competitive bidding when using an Invitation for Bid.
<b>Sole Source</b>	A product or service which is practicably available only from one source.

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<b>Solicitation</b>	An Invitation for Bid (IFB), a Request for Proposal (RFP), Quick Quote, Faxback Request, telephone calls, or any other document issued by the state to obtain bids or proposals for the purpose of entering into a contract.
<b>Spot Purchase</b>	A one-time purchase made in the open market. If it is under the small purchase threshold, then it will be made in accordance with the applicable small purchase procedures. If it is over the small purchase threshold, then it will be made by competitive sealed bidding or by an exception thereto authorized by law.
<b>Small Purchase Charge Card (SPCC)</b>	This program is for small purchases equal to or less than \$5,000 and for payment of invoices up to \$5,000. This program and its policies are managed by the Department of Accounts. The DGS SPCC has a Program Administrator (PA) who is in the Procurement Services Unit and manages the Agency SPCC program for the Department of Accounts (DOA).
<b>Surplus Property</b>	Personal property including, but not limited to, materials, supplies, equipment, and recyclable items that are determined to be in excess of the needs of an agency and which are not required for its foreseeable need. The property may be used or new, but possess some usefulness for the purpose for which it was intended or for some other purpose. It includes scrap, which is material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content. Surplus Property must be disposed of in accordance with <i>Code of Virginia</i> , § 2.2-1124. ( <a href="http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-1124">http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-1124</a> )
<b>SWAM</b>	The acronym SWAM refers to any business that may be either: a) small, b) women-owned, or c) minority-owned; all of which must be certified with the Virginia Department of Minority Business Enterprise (DMBE). (See <a href="http://www.dmb.e.virginia.gov">http://www.dmb.e.virginia.gov</a> )
<b>Set-Aside</b>	Solicitations offered specifically to DMBE-certified small businesses. Small businesses shall include, but not be limited to, DMBE-certified women-owned and minority-owned businesses that have received the DMBE small business certification.
<b>Virginia Public Procurement Act (VPPA)</b>	Chapter 43 of Title 2.2, <i>Code of Virginia</i> , which stipulates public policies pertaining to government procurement from nongovernment sources. ( <a href="http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC020200000430000000000000">http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC020200000430000000000000</a> )

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### IV. POLICY STATEMENT

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Public purchasing embraces a fundamental obligation to the general public to ensure that procurements are accomplished in accordance with the intent of the laws enacted by the Virginia General Assembly is set forth in the *VPPA*.

To the end that public bodies in the Commonwealth obtain high quality goods and services at reasonable cost, that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to public business and that no offeror be arbitrarily or capriciously excluded, it is the intent of the General Assembly that competition be sought to the maximum feasible degree, that procurement procedures involve openness and administrative efficiency, that individual public bodies enjoy broad flexibility in fashioning details of such competition, that the rules governing contract awards be made clear in advance of the competition, that specifications reflect the procurement needs of the purchasing body rather than being drawn to favor a particular vendor, and that the purchaser and vendor freely exchange information concerning what is sought to be procured and what is offered. Public bodies may consider best value concepts when procuring goods and nonprofessional services, but not construction or professional services. The criteria, factors, and basis for consideration of best value and the process for the consideration of best value shall be as stated in the procurement solicitation. (*Code of Virginia*, § 2.2-4300).

This statement of intent by the General Assembly highlights the use of competition to the maximum feasible degree. Competitive procurement that is conducted in accordance with the legal and policy requirements of the Commonwealth requires considerable time and effort; and it does not guarantee that a preferred brand or vendor will be selected. Conducted properly, competitive procurement responds to an end-user's needs, results in public trust and confidence in the integrity of public procurement and DGS, and generally brings about the optimal solution at the most favorable pricing.

It is the responsibility of each member of DGS who has a role in the procurement for any good or non-professional service to know and understand the policies prescribed herein and apply them in the conduct of any business or transaction between DGS and any commercial entity, which may result in an order or contract.

### V. RESPONSIBLE STAFF DIRECTOR

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The Agency Head of DGS has the ultimate responsibility for the agency's compliance with procurement regulations. The Agency Head delegates the authority of day-to-day procurement

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activities and operations to the Director of DGS Procurement Services. The Director of Procurement Services is responsible for developing and managing DGS procurement and contracting policies and procedures, advising the Agency Head of any issues or possible violations of procurement policies, administering changes to DPA, and for any changes to procurement and contracting policies. All questions in regard to the agency's procurement policies and practices shall be directed to the DGS Director of Procurement Services.

### **VI. EXCEPTIONS**

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Requests for exceptions to these policies shall be submitted in writing by Division and Staff Directors to the DGS Director of Procurement Services for review and determination of any waiver action. As necessary or appropriate, the DGS Director of Procurement Services may send a request for exception to either the DGS Director or a DGS Deputy Director, who are authorized to grant exceptions. Requests for exceptions must be submitted in writing, either by email, fax, or other written correspondence. The decision on any exception shall be addressed in writing to the appropriate Division or Staff Director by the DGS Director of Procurement Services.

### **VII. PROCEDURES**

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#### **A. Delegation of Procurement Authority (DPA):**

Procurement authority is the ability to commit the agency to a contractual agreement, such as a purchase order or SPCC purchase. This authority is granted by the Agency Head to the Director of Procurement Services who shall also be known as the Chief Procurement Officer.

The DGS Procurement Services Unit is responsible for all departmental procurement activities. Accordingly, all DGS division/staff units shall forward a properly approved eVA Requisition or Internal Purchase Request (IPR) to Procurement Services, unless the Procurement Director has granted delegated procurement authority to applicable DGS individuals.

The DGS Procurement Services Director may delegate authority in writing to specific DGS staff to purchase goods and services. DPA currently exists in the following procurement activities at DGS:

- All SPCC card holders have a DPA of \$5,000 per single transaction. These orders shall be placed in eVA, unless specifically exempt from eVA in Section I. See Section N for details about the SPCC program.
- The Director of Procurement Services and/or their designee have the authority to sign



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contract awards, contract renewals, and contract modifications.

DPA is **not** the same as cost code approval authority. Cost code approval authority is the ability of a cost code manager to commit funds from their budget towards a procurement activity.

Upon gaining knowledge that a DGS employee **not** having delegated DPA inappropriately committed the Department to a purchase of goods and/or services, the DGS Director of Procurement Services will notify the DGS Deputy Director in writing with a copy to the Management Audit and Review Services Director. The DGS Deputy Director, in coordination with the employee's supervisor will review the circumstances and determine the appropriate actions to be taken, which may include disciplinary actions under the Commonwealth's *Standards of Conduct*\* policy.

\* [http://www.dhrm.virginia.gov/hrpolicy/policy/pol1\\_60conduct.pdf](http://www.dhrm.virginia.gov/hrpolicy/policy/pol1_60conduct.pdf)

### **B. Agreements between DGS and Other Governmental Entities:**

There are times when it is appropriate for DGS to enter into agreements with other state, federal and local governmental entities, which involve the purchase or sale of goods and services. Such occasions will require development of a written agreement in a format to be agreed upon and signed by both parties. Procurement Services shall be available to assist any DGS unit in developing such agreements and ultimately, shall review the final document prior to signing by the parties. The DGS Director of Procurement Services or designee shall complete a review of a draft written agreement within two (2) working days of receiving the document and shall initial and date the signature page and gain higher approval as necessary prior to returning the document to the originating unit.

### **C. Conflict of Interest:**

Each DGS employee with the authority to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefore, shall ensure that they do not participate in a procurement when a conflict of interest as outlined in the *State and Local Government Conflict of Interests Act, Code of Virginia, § 2.2-3100 et seq.* exists. If an employee is unsure about whether a conflict exists, they shall contact the DGS Procurement Services Director.

### **D. Emergency Purchases:**

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An emergency is an occurrence of a serious and urgent nature that demands immediate action. **Upon learning of the need for an emergency purchase from a Division or Staff Director the DGS Director of Procurement Services shall immediately notify the DGS Director.** The DGS Director, or in their absence a DGS Deputy Director, has the authority to declare the need for an emergency purchase. After the emergency declaration is issued emergency procurement procedures are to be used to purchase that which is necessary to cover the emergency need only. The requesting business unit shall seek such competition as is practicable under the circumstances. Subsequent requirements shall be obtained using normal purchasing procedures. The potential loss of funds is not considered to be an emergency.

1. Authority to Declare an Emergency: The DGS Director or in his absence a DGS Deputy Director has the sole authority to declare the need for a DGS emergency purchase.
2. Emergency Planning: Each DGS Division and Staff Director is responsible for maintaining a current list of local sources of goods and services that might be needed in an emergency (around the clock). Procurement Services is available to assist each Division and Staff Director in establishing listings of vendors who are willing to respond on short notice to emergency purchase requirements.
3. Emergency Determination: For purchases above the single quote limit, a written emergency determination indicating the nature of the emergency and reason for selection of the particular contractor shall be submitted to Procurement Services along with the IPR, for inclusion in the contract. When describing the reason for selection of the contractor, the determination must include an explanation as to the level of competition used, if any, by listing all vendors contacted and their responses, along with their proposed prices and performance dates.

The DGS Director, Procurement Services and the applicable Division or Staff Director shall both sign the Emergency Determination document prior to Procurement Services forwarding to the DGS Director for approval.

Emergency procurements shall be documented by Procurement Services and signed by the Agency Head or designee, which in this event shall be the Deputy Director of DGS, within 24 hours of the declared emergency.

4. Public Posting: Emergency purchases in excess of \$50,000 must be publicly

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posted on the *Virginia Business Opportunities* (VBO)\* website by Procurement Services for a ten (10) day period immediately following the award.

\* [https://vendor.epro.cgipdc.com/loginEngine/preLogin.jsp?guest\\_login=Public Access](https://vendor.epro.cgipdc.com/loginEngine/preLogin.jsp?guest_login=Public Access)

5. Emergency Purchase Record Keeping: DGS Procurement Services shall maintain the records for all emergency purchases.

### E. Sole Source Purchases:

A sole source procurement is one in which there is only one source of supply that is practicably available. DGS business units shall avoid the use of sole source procurement methodology whenever possible, because it inherently restricts the ability of qualified vendors to have access to public business. Whenever there is factual evidence to support the rationale for a sole source purchase, then DGS and Procurement Services shall proceed accordingly.

1. Sole Source Determination: A written sole source determination documenting that there is only one source practicably available for that which is to be procured, shall be submitted to Procurement Services as an attachment to the eVA purchase requisition or with the Internal Purchase Request (IPR), for inclusion in the contract file. For sole source purchases up to \$50,000 the DGS Director, Procurement Services and the applicable Division or Staff Director must both sign the determination document.

All sole source procurements exceeding \$50,000 shall be submitted by Procurement Services to the DPS, through the DGS Director, with proper justification required for review and approval. DGS units should allow at least a ten (10) calendar day lead-time for any sole source request requiring approval through DPS. Procurement Services shall assist the requesting unit in preparing the determination that is to be submitted to DPS.

2. Public Posting: Sole source purchases in excess of \$50,000 must be publicly posted by Procurement Services on the eVA website for a ten (10) day period immediately following award.

**Sole Source Procurements** – Sole source procurements will be processed by Procurement Services within ten (10) days of receiving a detailed and complete eVA purchase requisition or IPR, the sole source rationale and justification, and complete specifications.

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### F. Technology Purchases

All Information Technology (IT) purchases in DGS require the approval of VITA. All IT purchases shall be placed in the electronic procurement system (eVA) with the proper V Code noted in the PO category to ensure that the proper eVA Order approval flow is generated. **There are no exceptions to this policy.** Email questions regarding IT purchases to [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov) or review the requirements for IT procurement at: <http://www.vita.virginia.gov/procurement/procurement.cfm>

### G. Exceptions to Competitive Procurement Requirements:

The following items are exempt from the competitive procurement process, ***but may not be exempt from eVA*** (see Section I for exemptions to eVA):

1. Purchases under \$5,000 if goods/services are being procured from a DMBE certified small business.
2. Books, pre-printed materials, reprints and subscriptions (e.g., print or electronic), pre-recorded audio and video cassettes, compact discs, slide presentations, etc., when only available from the publisher/producer.
3. Academic/research consulting services.
4. Honoraria, entertainment (speakers, lecturers, musicians, performing artists).
5. Training that is specialized, proprietary, not typically available to the general public for which competition is generally unavailable, off-site, and requires a registration fee. Contact the Department of Human Resource Management, Training Manager, at 804-225-2016, to ascertain if the training being requested is available through an existing contract or another source.
6. Royalties and film rentals when only available from the producer or protected distributors.
7. Professional Organizational Membership dues.
8. Writers.
9. Artists (does not include graphic artists); original works of art; and original, or

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authentic antique period art frames (does not include newly created replacement or reproduction frames).

10. Photographers other than for graduations and yearbooks, e.g., for official photographs/portraits.
11. Contributions and donations made by a university.
12. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
13. Utility charges.
14. Conference facilities (to include conference support and related lodging and meals) only when the use of a specific facility is directed by an outside donor, sponsor, or organization.
15. Accreditation fees and academic testing services.
16. Exhibition Rental Fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)
17. Purchases of used equipment up to and including \$50,000. This also includes used equipment purchased at a public or online auction, if determined in writing that the purchase would be in the best interest of the public.
18. Purchases from the federal government, other states and their agencies or institutions, and public bodies. Care must be exercised to be certain that the price is fair and reasonable.
19. Surplus property (see Chapter 12 of the *APSPM*):  
<http://www.eva.virginia.gov/aspm-manual/files/CHAPTER%2012%20%2010-06.doc>
20. Purchases under \$50,000 for testing or evaluation (limited to purchases of quantities considered necessary for complete and adequate testing).
21. Emergency purchases (competition obtained when practicable) require

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DGS/DPS prior approval if personal property or safety are not impaired *and* the value of the procurement exceeds \$50,000.

### H. **Enhancing Small, Women, and Minority Owned (SWaM) Business Opportunities:**

As required by Executive Order 33 (2006)\* issued by the Office of the Governor, it shall be the goal of DGS to obtain 40% spend with DMBE certified small businesses, including discretionary spending in prime contracts and subcontracts. Small businesses shall include, but not be limited to, DMBE-certified women-owned and minority-owned businesses that have received the DMBE small business certification.

\* [http://www.governor.virginia.gov/Initiatives/ExecutiveOrders/pdf/EO\\_33.pdf](http://www.governor.virginia.gov/Initiatives/ExecutiveOrders/pdf/EO_33.pdf)

All DGS employees with procurement responsibility who are involved in procurement decisions for goods and services are expected to notify and give every consideration to using qualified small business suppliers of procurement opportunities in a manner that is consistent with state and federal laws and regulations and provisions in the DGS DPS's APSM.

All procurements up to \$50,000, not procured from statewide mandatory or optional use contracts (<http://dps.dgs.virginia.gov/DPS/contracts/contracts.asp>) or a mandatory source of supply (see Section J) will be set-aside exclusively for DMBE-certified small businesses as long as the price appears to be fair and reasonable. If prices do not appear to be fair and reasonable a written document must be placed in the procurement file stating the basis for the determination.

### I. **Electronic Procurement (eVA):**

DGS uses eVA to issue all agency purchase orders electronically for goods and/or services. eVA orders are issued for all contract purchases, all Quick Quote awards, sole source awards, emergency procurements, and SPCC purchases.

All purchase transactions shall be processed through eVA to eVA registered vendors unless otherwise provided below.

If a DGS Division/Business Unit finds it necessary to procure the required goods/services from a non-registered eVA vendor, and the purchase transaction is not exempt, then the order will be processed using the appropriate method below:

1. If the vendor agrees to accept the eVA terms and conditions regarding the vendor payment of the eVA transaction fee a statement will be included in the

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eVA PO comment box and processed using the appropriate PO Category (R01, S01, P01, E01, VR1, VS1, VP1, or VE1).

2. If the vendor **does not** agree to accept the eVA terms and conditions regarding the vendor payment of the transaction fee a statement must be included in the eVA PO comment box and processed using the appropriate PO Category (R02, S02, P02 E02, VR2, VS2, VP2, or VE2). The requesting Division shall then be responsible for paying the transaction fee associated with the cost of the purchase.
3. Documentation of SWAM solicitation must be noted in the comments section of the purchase requisition. This statement must include the name and addresses of the vendor(s) contracted, name of person providing the quote, date contacted and price(s) quoted and any additional information (example: vendor unable to provide, delivery requirement can not be met, no response to solicitation request.)

Exemptions to this requirement are listed below:

1. Real estate leases
2. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
3. Professional organizational membership dues and training classes sponsored by the professional organization when payment is made directly to the professional organization sponsoring the training class.
4. Conference registrations
5. Petty cash purchases
6. Honoraria
7. Entertainment (speakers, lecturers, musicians, performing artists)
8. Accreditation fees and academic testing services
9. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)

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10. Goods or personal services for direct use by the recipients of programs specified in the *Code of Virginia*, § 2.2-4345, if the procurement is made for an individual recipient. Contracts and/or spot purchases for the bulk procurement of goods or services for the use of recipients shall not be exempted.
11. Award of grants by agencies and institutions to public bodies or tax exempt non-profit charitable organizations. This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services (see *APSPM* 13.8e).
12. Medical (Health Care) Services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition. Contracts and purchase orders between the agency or institution and temporary service providers or independent laboratory testing companies are not exempt from purchasing through eVA.
13. Public Utilities (electric, natural gas, water, sewer)
14. Purchases made via closed-loop systems or automated inventory control systems for items for resale, e.g., ABC, drugs (only POS drugs)
15. Purchases made using the DPS-authorized multi-state drug contract
16. Purchases made using DPS Contract #91026, Express Delivery Services
17. Over the counter charge card purchases that are made at the site of the sale and picked up by the individual card holder (i.e. SPCC, Voyager). Internet purchases or purchases initiated by the use of some other form of electronic communication are not exempt.
18. Revenue contracts, e.g. scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g. contracted out Bookstore, Food service operations.
19. Government-to-government purchases, other than purchases from mandatory sources
20. Purchases from public auctions (non-electronic)
21. Surplus property



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22. Contracts with commercial fisherman for replenishment, research and stock assessment activities
23. Individual travel and lodging
24. Financing when goods/services procured from one source are being financed by another (i.e. third party) source. The financing exclusion does not apply to lease purchases.
25. Business and/or financial transactions to which public procurement regulations do not apply. Examples include debt service payments, Medicare and Medicaid payments, and child support payments.

### J. Sources of Supply:

1. **Mandatory Sources** shall be contacted first for any applicable procurement of goods and/or services offered by these sources.

All mandatory sources require a written release prior to purchasing elsewhere. If the mandatory source cannot provide similar goods and/or services please email Procurement Services ([procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov)) for guidance on the written release. Upon receipt of the waiver PSU will forward a copy to the requesting party and maintain the original in the PSU central procurement files.

#### **The following are mandatory sources:**

**Virginia Correctional Enterprises (VCE)** for furniture, printing, signs, 3-ring vinyl binders, printed stationary and envelopes, etc. **Intentional Violations:** Intentional violations of the requirement to purchase from VCE, after notice from the Governor to desist, shall constitute malfeasance in office and shall subject those responsible for such violations to suspension or removal from office (*Code of Virginia*, § 53.1-47, 53.1-48, 53.1-49, and 53.1-51). The website for the VCE catalog of products is <http://www.vcedigitalworks.com/vce/>.

Department for the Blind & Vision Impaired (DBVI)/Virginia Industries for the Blind (VIB) provide writing instruments, mailing services, non-sterile exam gloves, etc. The website for their product line is:

<http://www.vdbvi.org/vib/manufacturedgoods.htm>.

**DGS Division of Purchases and Supply (DPS)** for mandatory source contracts. The

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website for contracts for goods and/or services is:

<http://www.eva.state.va.us/Contracts/contracts.htm>

**Virginia Information Technologies Agency (VITA)** for PCs and peripherals, software, radio and telecommunications equipment, Internet services, etc. The website for contracts for IT goods and/or services is:

<http://www.vita.virginia.gov/procurement/procurement.cfm>

**DGS Virginia Distribution Center (VDC)** purchases, stores, and distributes staple goods, canned/frozen foods, janitorial supplies, paper products, and other selected items.

The website is: <http://dps.dgs.virginia.gov/dps/VDC/vdc-bottom.htm>

**DGS Office of Graphic Communications (OGC)** is a full service creative group that offers: concepts and marketing strategies; creative writing and design; desktop publishing; photography direction; illustration; project management; and, printing management. The website is:

<http://do.dgs.virginia.gov/OGC/Working%20with%20OGC.pdf>

**DGS Fleet Management** for use of passenger vehicles for transportation services and the purchase or lease of motor vehicles. The website is:

<http://fleet.dgs.virginia.gov/>


**Virginia Department of Transportation (VDOT)** for the purchase of vehicle fuel and the purchase of related supplies and repair parts.

**DGS and VITA Agency Term Contracts** for goods and/or services. This contract listing is maintained on the DGS Intranet and is available from Procurement Services by emailing [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov).

### 2. Non-mandatory Sources:

- a) Optional use term contracts established by DGS
- b) State Surplus Property
- c) Nonprofit Sheltered Workshops and Nonprofit organizations
- d) Source lists created and maintained by DGS personnel. Special emphasis should be placed on including Virginia vendors and DMBE certified small, women-owned, and minority-owned businesses on all solicitation lists
- e) Suppliers' Catalogs
- f) Other sources of supply can be identified by researching the Yellow Pages, Thomas Register, Virginia Dept. of Economic Development, Virginia Minority Supplier

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### **K. Contractor License Verification**

State statutes and regulatory agencies require that some contractors be properly registered and licensed, or hold a permit, prior to providing goods or performing specific types of services. These services include, but are not limited to, construction, pesticide application, security, and fire alarm system installation. License documents must be verified prior to the work commencing. Contractor license verification may be reviewed on the Virginia Department of Professional and Occupational Regulation's website\*. These documents shall be maintained in the procurement files in Procurement Services.

\* [http://www.dpor.virginia.gov/regulantlookup/selection\\_input.cfm](http://www.dpor.virginia.gov/regulantlookup/selection_input.cfm)

### **L. Insurance Verification**

Whenever work is to be performed on state owned or leased property or facilities, the contractor shall be required to have Workers' Compensation, Employer's Liability, Commercial General Liability and Automobile Liability, and in certain types of programs Professional Liability/Errors and Omissions insurance coverage. The Commonwealth of Virginia must be named as an additional insured when requiring a Contractor to obtain Commercial General Liability coverage. At a minimum, the contractor must certify to the agency that they possess the appropriate insurance coverage and documentation concerning the contractor's insurance shall be included in the procurement files located in the Procurement Services Unit.

Whenever services are procured using the SPCC the Cardholder must obtain the most recent copy of the license and insurance documentation. These documents must be placed with the backup documentation for the purchase. Contact the Procurement Services Unit for assistance in obtaining these documents by emailing [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov).

### **M. Procurement Planning**

It is the responsibility of the requesting unit end-user or business owner who requires a particular good or service to plan their requirements well enough in advance to afford DGS and Procurement Services sufficient administrative lead-time to compete and award a contract to ensure effective delivery of the necessary goods or services by the required delivery date. Generally, the amount of lead-time needed by Procurement Services is directly related to the complexity and estimated dollar value of the procurement. The above lead times are not applicable to SPCC purchases

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For planning purposes, Procurement Services recommends the following lead-times, at a minimum, to process a procurement request and execute an order or contract.

1. **eVA Requisitions \$5,000 or Less** – The eVA requisitions are entered into eVA by DGS end users and cost code managers and are confirmed with the vendor within two (2) business days of all insurance/license verifications (if applicable) and approvals being completed.
2. **eVA Orders \$5,000 or Greater** – The orders that are entered into eVA by end users and cost code managers for items from mandatory sources or sources with contracts confirm action with the vendor within two (2) business days after all insurance/license verifications (if applicable) and approvals have been completed.
3. **eVA Orders Entered by Procurement Services** – Orders for \$5,000 or less and orders for mandatory sources and statewide contracts are processed within two (2) business days of receipt of a completed IPR and insurance/license verifications if applicable.
4. **For Goods and/or Services \$5,000 - \$50,000** – All purchases in this cost range not on statewide contract or not a mandatory source, require competition, unless the purchase is a sole source or emergency. A completed eVA requisition or IPR with details and specifications shall be submitted to Procurement Services for processing. Procurement Services will process the procurement within ten (10) business days of receipt of the eVA requisition or IPR. These solicitations will be processed using eVA Quick Quote or any other appropriate small purchase procedure that is approved by DPS.
5. **For Goods and/or Services over \$50,000** –  
  
**Goods** - All purchases for goods that are estimated to be over \$50,000 that are not available on a statewide contract or from a mandatory source shall be forwarded to DPS, for non-IT goods; or to VITA for IT goods (through the DGS Agency Information Technology Representative or "AITR"), unless an Exemption Waiver is obtained from DPS or VITA, respectively. If an Exemption Waiver is granted allowing Procurement Services to conduct the solicitation, then the Commonwealth's preferred method of procurement, competitive sealed bidding (i.e. *Invitation for Bid* or *IFB*) will be conducted.

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The IFB requires a minimum of 45 days to complete once all approvals are obtained. This time may vary based on the type, details and complexity of the good, the accuracy, precision, and completeness of the specifications provided by the end-user, and the attachment or inclusion of this information with the electronic eVA requisition (preferred), or an IPR, when either of these are provided to Procurement Services.

**Services** – The Request for Proposal (RFP) method requires a minimum of 90 days to complete. This time may vary based on the type, details and complexity of the services being procured, the accuracy, precision, and completeness of the required statement of need, scope of work, and/or detailed business requirements and analysis that are provided by the end-user, and the inclusion of this information with the eVA requisition (preferred) or an IPR, when these documents are provided to Procurement Services. As described with the IFB above, the necessary approval may need to be obtained from VITA via the AITR, if the services are IT and within scope to VITA.

Whenever the IFB or RFP method of procurement is used the goods and/or services must be described in a manner that will not limit competition among qualified vendors that are capable of providing an item of similar nature. Brand name specifications restrict the acceptable products to those of one manufacturer which in turn limits competition. Whenever a brand name specification is used it shall also be noted that an item of similar nature will be considered if the agency finds it to be of equal value.

### **N. Small Purchase Charge Card (SPCC)**

The SPCC program is managed by the Department of Accounts (DOA). DOA delegates this activity to an Agency Program Administrator (APA), who in DGS is designated by the Director, DGS Procurement Services Unit as the PSU Procurement Manager. Agency charge cards are issued, administered, and cancelled by the APA. The APA is responsible for training and internal agency policies on the use of the charge card. Charge card purchases shall be processed through eVA unless the purchase is specifically exempted from eVA processing as shown in Section I above.

SPCC purchases are limited to the single quote limit, which is \$5,000 or less per transaction. All purchases on the small purchase charge card shall be placed in eVA. Order-splitting for any reason to facilitate the procurement of a good or service using the Charge Card and thereby avoid the use of competition is a violation of the Code of Virginia and strictly forbidden. Any DGS employee judged to be in willful violation of this policy

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shall be subject to disciplinary action up to, and including, forfeiture of employment, in addition to any other fine or penalty provided for by law.

For more specific SPCC policies and procedures, refer to DGS PR-2 Purchase Charge Card Policy.

### O. Receiving

The comparison of purchase orders and requisitions with receiving reports and invoices prior to payment are standard internal control procedures. Adherence to the receiving report procedures will help ensure that goods, materials, equipment, and supplies are received in a manner consistent with the terms of the contract or purchase order. Receiving reports for items purchased through the eVA system shall be received using the eVA receiving feature.

To ensure timely payments, the inspection of the items or services received and the completion of the receiving report should be completed as soon as possible, but in no case more than three (3) working days after delivery.

If the goods or services are not delivered in accordance with the requirements of the purchase order or contract, the agency must notify the vendor of the defect as soon as possible, but in no case more than 15 days after of the receipt of the goods or services. Damaged or otherwise unacceptable materials, goods, equipment, or supplies should be documented on the receiving report and appropriate action taken to remedy the defects.

Receiving reports should be authorized by a designated individual who is not also authorized to make payments pursuant to the purchase order or contract.

### P. Contract Administration:

Contract administration officially begins immediately upon award of the contract and involves providing assurance to the Commonwealth's taxpayers that the contractor is held accountable for performing in accordance with all terms and conditions stated in the agreement. Unofficially, this function begins during the contract-planning phase when all factors influencing the determination of need for the requirement are considered by the requesting business unit. In accordance with the *APSPM*...**"Contract Administration shall be delegated in writing by the buyer designating a specific individual or position highlighting important aspects of the contract, and distinguishing between the administrator's authority and that which must remain a function of the purchasing**

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**office**". Procurement Services Unit staff will serve as Contract Officers for the procurement and in establishing the contract. Designated staff within the requesting DGS Business Unit will serve as the Contract Administrator(s) for overall contract implementation and administration, and monitoring of vendor performance during the contract's life cycle.

Because of the critical need for sound administration of public contracts, a Contract Administrator shall be appointed **in writing**, by the Director, Procurement Services or designee, whenever a continuous or term contract for a service is awarded by Procurement Services. Procurement Services shall furnish the Contract Administrator with a copy of the contract immediately upon award.

Immediately upon award of a contract, the PSU Procurement Officer who is assigned responsibility for managing the contract file shall meet with the designated Contract Administrator to develop a written contract checklist. This checklist shall describe in detail the specific tasks to be performed by the Contract Administrator in assessing the Contractor's performance, as well as all subsequent reporting requirements associated with said performance. **The Contract Administrator is not authorized to approve change orders against the contract.** The Contract Administrator shall not notify the Contractor that a change has been approved until that change has been authorized **in writing** by Procurement Services. **NOTE:** When contracting for goods, Contract Administrators shall be appointed in writing, on an "as needed" basis.

Complaints and/or discrepancies on vendor performance shall be reported in writing to Procurement Services by the Contract Administrator as they occur. Procurement Services shall be responsible for contacting vendors and other appropriate parties, to effect corrective actions and complete and properly distribute the State's "**Complaint to State Vendor Form, DGS-41-024.**"

See: [http://forms.dgs.state.va.us/eo51/dgs\\_formdetails.asp?record=DGS-41-024](http://forms.dgs.state.va.us/eo51/dgs_formdetails.asp?record=DGS-41-024)

**Q. Contract Reporting:** Procurement Services shall maintain a master listing record of all active term contracts, and maintenance agreements that were awarded by that office. Procurement Services shall post a report of all such agreements on the DGS Intranet (<http://www.intranet.dgs.virginia.gov>). At a minimum, the report shall include the following information:

1. Contract description / number / price / initial contract period
2. Name of designated Contract Administrator
3. Contract expiration date

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4. Remaining renewal year option(s)
5. Description of the division/location of the services provided

Procurement Services shall contact each designated Contract Administrator in writing **no later than 90 calendar days** prior to contract expiration, to inquire as to whether the contract should be renewed, re-solicited, or allowed to expire. PSU must receive a written response within ten (10) working days. Procurement Services will contact the vendor and set up the renewal(s) in accordance with the renewal of the contract terms and conditions.

### **R. Vendor Invoice Processing**

All order documents and contracts sent to vendors shall clearly state that vendor invoices shall reference the eVA order / contract number and shall be sent to the following address:

**Department of General Services  
Fiscal Services Unit  
P. O. Box 404  
Richmond, VA 23203-0404**

### **S. Taxes**

- a. **Excise.** The Commonwealth of Virginia is generally exempt from paying federal excise taxes, except it must pay excise taxes for air transportation, the cost of which is generally defined as any amount paid within the United State for transportation of any person by air.
- b. **State Sales.** The Commonwealth of Virginia is generally exempt from paying Virginia's sales taxes on purchases of tangible personal property for its use or consumption. Requests for a Tax Exemption Certificate (Form ST-12) should be forwarded to the Procurement Services Unit at [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov).
- c. **Sales and Use Tax.** Virginia's Sales and Use tax does not apply to sales of tangible personal property to the Commonwealth of Virginia or to its political subdivision for their use of consumption, if the purchases are pursuant to required official purchase orders to be paid for out of public funds.
- d. **Sales and Use Tax - Contractors.** Persons who contract with DGS to perform a service who furnish tangible personal property are deemed to be consumers of all such property and are not entitled to exemption on the ground that a governmental entity is a party to the contract.



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### **VIII. DESK PROCEDURES**

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The following procedures are maintained by the Procurement Services Unit (PSU) to support this purchasing policy and its implementation and are available upon request:

- Desk Procedure A: IPR form and instructions
- Desk Procedure B: Emergency Procurement
- Desk Procedure C: Sole Source Procurement
- Desk Procedure D: Small Purchases

### **IX. DISTRIBUTION METHOD, EFFECTIVE DATE, AND EXPIRATION DATE**

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This policy shall have normal distribution. The policy shall be effective immediately upon the date of signature and expire six (6) years from this signature date, or until replaced, whichever is later.